

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE SOUTHERN MADISON WATER)
DISTRICT, A WATER DISTRICT ORGANIZED)
PURSUANT TO CHAPTER 74 OF THE KENTUCKY)
REVISED STATUTES, OF MADISON COUNTY,)
KENTUCKY FOR (I) APPROVAL OF THE)
ADJUSTMENT OF WATER RATES PROPOSED TO BE)
CHARGED BY THE DISTRICT TO CUSTOMERS OF)
THE DISTRICT, (II) A CERTIFICATE OF PUBLIC) CASE NO. 9596
CONVENIENCE AND NECESSITY, AUTHORIZING)
AND PERMITTING SAID WATER DISTRICT TO)
CONSTRUCT AN EXTENSION TO ITS WATERWORKS)
DISTRIBUTION SYSTEM; AND (III) APPROVAL)
OF THE PROPOSED PLAN OF FINANCING OF SAID)
IMPROVEMENTS AND EXTENSION OF SAID WATER-)
WORKS DISTRIBUTION SYSTEM)

O R D E R

On August 20, 1991, Southern Madison Water District ("Southern Madison") filed a motion to hold in abeyance a portion of the Order entered in this proceeding on August 14, 1986. In support of its motion, Southern Madison stated that the commissioners of the district and counsel for the district first became aware in an informal conference held at the Commission on July 31, 1991 in relation to Case No. 90-305¹ that the district had not complied with a requirement contained in the Commission's August 14, 1986 Order. Specifically, that Order had directed

¹ Case No. 90-305, Application of Southern Madison Water District for Certificate of Convenience and Necessity to Construct Storage Facilities.

Southern Madison to install two hydropneumatic stations as a condition of certificating the construction proposed therein.

In its current motion, Southern Madison states that the two hydropneumatic stations have not been constructed, but that the commissioners do not remember ever being apprised of the requirement, and had no knowledge of same until the July 31, 1991 informal conference. Southern Madison states in its motion that any noncompliance with the Commission's August 14, 1986 Order on the part of Southern Madison was unintentional and committed through oversight and lack of personal knowledge of the contents of said Order.

Southern Madison further states in its motion that the issues involved in Case No. 90-305, which is currently pending before the Commission, are interrelated to the Commission's August 14, 1986 Order in that the construction proposed in Case No. 90-305 will solve the low pressure problems upon which the requirement to install the two hydropneumatic stations was based. Southern Madison, therefore, requests that that portion of the Commission's August 14, 1986 Order which requires the district to construct the hydropneumatic stations be held in abeyance until such time as Case No. 90-305 is resolved, to avoid the possibility of needless duplication and expense to the district.

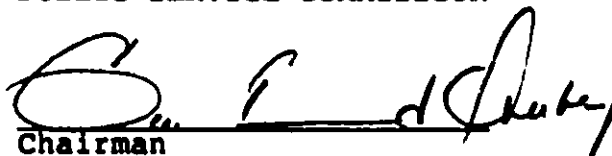
Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that Southern Madison's motion should be granted.

IT IS THEREFORE ORDERED that the operation and effect of that portion of the Commission's August 14, 1986 Order which requires

Southern Madison to construct the hydropneumatic stations is hereby held in abeyance until such time as a final Order is entered in Case No. 90-305.

Done at Frankfort, Kentucky, this 20th day of September, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director